

other argument, that the dollars that go into the farm program and the dollars that go into the ethanol subsidy are this huge cost to taxpayers. That is the Wall Street Journal's position.

If you look at the real numbers, if you accept the idea that we have a farm program and it has been here since FDR, and I don't know if I would have voted for that if I had been here since FDR, but it is here, and if it has been here this long, it is unlikely it is going to go anywhere.

So if we accept the idea that there is a farm program, and we look at how the countercyclical payments and the loan deficiency payments actually function, in that if you have high markets there is less demand for subsidy, in fact, it has taken out all the demand for those subsidies because we have had high demand for those grains. And this is just using the corn calculation, not the increase in our commodities that have been there in record prices for soybeans and for wheat and some of the other commodities that have been increased in their value because there has been more demand for corn acres and because now we have more corn acres and we raised the largest corn crop we have ever had, 13.3 billion bushels of corn.

Those payments, though, for 2006 were \$6.8 billion. Then the blenders credit is a component that we put in place so we could attract the capital to build the infrastructure in order to be able to produce the gallons of ethanol that we can use to blend our ethanol into our gasoline, at a 10 percent blend, for those folks that don't see that every day.

The blenders credit is 51 cents a gallon. When you calculate that across the gallons that were sold this year, that comes to about \$3 billion. When you do the math on that, the \$6.8 billion in subsidies and the \$3 billion in blenders credit, we have gone from \$6.8 billion in subsidies on the loan deficiency payment and the countercyclical payment down to zero. That is \$6.8 in savings. We spent \$3 billion on the blenders credit so that we put an incentive in place to build the ethanol production facilities. That is a net savings of \$3.8 billion just in the last year.

Now, I will admit that number doesn't extrapolate back across 2005 as well as it does 2006 or 2004 or 2003 or on back, but we are building an infrastructure and investing in that infrastructure; and we are building a capability to replace Middle Eastern oil, to some degree, with ethanol.

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I carry this equation out, 13.3 billion bushels of corn this year, we will easily be at 15 billion bushels of corn. Our target was by 2012, we will make it before then. This year tells us we will make it before then.

With 15 billion bushels of corn and if we only used a third of that corn to produce ethanol at 3 gallons a bushel, and we are right at that threshold, 2.9-

something, so that is producing 15 billion gallons of ethanol. And we are burning today about 142 billion gallons of gasoline.

You can see we get to the point where we reach the 10 percent blend across this country. Actually, we are up to that threshold in a lot of places today, but we can't distribute well enough to be able to distribute the ethanol that we are producing within a 10 percent limit. We need to increase the limit. But 10 percent of the gasoline is about what we can produce with the corn that we can produce in this country. That is why the push to go to cellulosic.

I can submit here we can reach the 15 billion bushels. With a third of that, we can produce 15 billion gallons of ethanol. With that, we can replace approximately 10 percent of the gasoline we are currently burning in this country. We can go up with that, but if we open this up with cellulosic, as came out in the President's State of the Union address, I believe the most recent one, then we can arrive at a substantial portion of this energy pie that is renewable fuels ethanol.

And we add to that the biodiesel that comes from our soybeans and the animal fats and oil from other plants, and we have taken a segment, this energy pie, and a slice of that, and we set aside and say this will be renewable fuels ethanol, this will be renewable fuels biodiesel, and some more energy will be wind. And we build a lot of infrastructure for that. Wind energy works well. From my yard where I live in rural Kiron, I can step outside the hedgerow and look out to the horizon and I can see 17 wind chargers from my yard. They are surreal and they are environmentally friendly. Yes, it takes a tax credit, but we are building infrastructure to replace some of our energy production with renewables such as wind.

Another point raised is that producing ethanol takes too much water. Whatever the number was in the most recent publication, whether the Wall Street Journal or New York Times, it was a number that took my breath away. The order of magnitude of its, let me say, lack of indexing into my experience, we build a lot of ethanol plants in my district.

There may have been a day or there may be a day this fall when the Fifth Congressional District of Iowa is the number one in ethanol production for congressional districts in America. We are number one in biodiesel production. We rank in the top, at least in the top four, in wind generation of electricity. And I am very confident that the Fifth Congressional District of Iowa is the number one renewable energy district in America.

I believe I will be able to put the numbers together to demonstrate that we will be the first congressional district to power all of the energy needs for every home in the district all on renewables. I think we are there now. I

just don't have the numbers quite together to say that definitively. But I think we are there now.

But the consumption of water to produce the ethanol, that number was outrageous in multiples of hundreds of gallons. So I went back to our people who are actually producing the ethanol, the ones who have to get the Department of Natural Resources' permit and meet the EPA standards and know how many gallons they are discharging and how much water they are pumping out of their wells in the ground to utilize production of ethanol.

Their numbers come out to be this: To produce a gallon of ethanol takes 2.8 gallons of water. To produce a gallon of gasoline out of a barrel of crude oil, and of course there is more than one gallon that comes out of there, but per gallon is 8 gallons of water.

So if you want to measure against the consumption of water to produce gasoline from crude oil compared to the number of gallons of water to produce ethanol out of corn, then you are looking at 8 gallons of water to 1 gallon of gasoline compared to 2.8 gallons of water to 1 gallon of ethanol.

By the way, we are reusing water. We are using gray water from the sanitariums out of some of our communities. And in particular, there is a new plant coming online at Shenandoah, Iowa, Green Plains, that will be using gray water from that community. We are conserving water, and it takes less water than it takes to produce the gasoline.

So even though there are arguments up and down on this, but the 51 percent blender's credit is the incentive to attract private investment capital. If we should lose even one penny of that blender's credit, what we will lose are millions and probably billions of dollars of private capital that is currently attracted into the production of ethanol, the building of ethanol production facilities.

When capital is no longer attracted, the momentum of this industry would be stalled and we would be sitting here with ethanol plants out in the plains within the heart of the corn belt, but not built out to the limits of the corn belt.

We would be sitting here also with biodiesel plants in the heart of the soybean belt but not out to the limits of the soybean belt, and we would have given up on renewable energies as even a partial substitute for Middle Eastern oil.

When I give you the math and lay out these costs in this fashion, I am not calculating in the cost of the military that it takes to be able to do what we can to provide some stability in the Middle East. But I will remind you, Mr. Speaker, that if the instability we have seen in places like Afghanistan were found in places like Saudi Arabia, you would see not the highest price for crude oil like we see today at \$96 a barrel, the highest price we have ever seen, you would see it perhaps double